

Kentucky Teachers' Retirement System - Medicare Eligible Health Plan (MEHP)

RE: KTRS RETIREE OR SPOUSE TURNING AGE 65

Our records indicate that you soon will be turning 65. As of the first day of the month that you turn 65 (or the first day of the preceding month for people whose birthdays are the first day of a month), you will no longer be eligible for the Kentucky Employees' Health Plan (KEHP) and you **must obtain Medicare** to continue medical and prescription coverage through KTRS. Contact Social Security three months before your birth month to enroll in Medicare. If your birthday is the first day of the month, you must return all forms to KTRS two months before your birth month, and your Medicare and MEHP will start on the first day of the **prior** month. All others must return all forms by the end of the month before turning 65 and coverage will start on the first day of your birth month. If you do not submit the required enrollment form and proof of Medicare enrollment, you will not be enrolled in the MEHP. If you do not wish to be enrolled in the KTRS coverage, complete the enclosed form to **waive** the MEHP coverage. The MEHP is a UnitedHealthcare (UHC) Medicare Advantage PPO and an Express Scripts Medicare Part D prescription drug plan.

Complete the enclosed blue application providing your Medicare claim number, attach a copy of your Medicare card (if available), and submit them to KTRS to be enrolled in the MEHP. KTRS will submit enrollment to UHC and Express Scripts and they forward it to Medicare for approval. If proof of your Medicare Part B coverage (Parts A & B required for spouse enrollment) is not provided to KTRS or your Medicare enrollment is not effective, you will not be enrolled in this MEHP coverage through KTRS. If you are the retiree and your coverage terminates, then your spouse is not eligible for coverage. Outside of the annual open enrollment, retirees will only be eligible to re-enroll within 30 days of a valid qualifying event. **NOTICE TO SPOUSES:** If you are the spouse of a KTRS retiree and you waive this coverage, you will not be permitted to enroll in the future unless you experience a valid KTRS qualifying event. Spouses are not permitted to enroll during open enrollment unless the retiree has waived and is enrolling.

ENROLLING: Visit your local Social Security office to enroll in Medicare Parts A & B. No need to enroll there in Part D, which will be through KTRS. Your name, date of birth and address at Social Security must match what you have on file at KTRS. Since Medicare will not accept a PO Box you must supply KTRS with a permanent street address.

Part A - Most people automatically receive premium free Part A coverage from Social Security because they or a spouse paid Medicare taxes while working. **Retirees** who do not automatically receive no-cost Part A are not required to purchase Part A, and the KTRS plan will pay Part A expenses as Medicare would have, excluding the MEHP deductibles and copayments. **Spouses** are required to have Part A to enroll in the KTRS MEHP. When you contact Social Security to enroll in Medicare, please make sure they check to see if you qualify for Part A free not only through your Social Security and/or Medicare tax payments but also through your spouse's. You could qualify through a current spouse, an ex-spouse or a deceased spouse.

Part B - Everyone must enroll in Part B and pay a monthly premium to Social Security. Contact Social Security to determine your Part B monthly premium which could be as high as \$159.30 for the standard premium in 2016. In some cases, your Part B premium could be higher if you fail to enroll when you first become eligible or you fall into a high income category. See section on higher income persons. If you get Social Security, Railroad Retirement Board or Civil Service benefits, your Part B premium will be deducted from your benefit payment. Otherwise (as is the case for many retired teachers), you'll get a **quarterly** bill called a "Notice of Medicare Premium Payment Due." Follow the instructions and pay the total amount prior to the due date. You can pay by check, money order or credit card, or sign up for Medicare Easy Pay, a free service that automatically deducts your premiums from your bank account each month. Call Medicare to request an Easy Pay form. **If you fail to enroll in Part B, you will not be enrolled in the KTRS MEHP. If at any time while enrolled in the MEHP, your Medicare coverage lapses due to non-payment or any other reason, you will be terminated from the KTRS MEHP and you will be responsible for the actual cost of any claims.** Upon termination, you may not be eligible for future reenrollment.

Part D - Medicare Part D is prescription drug coverage available to anyone who is enrolled in Medicare Part A and/or Part B. **Express Scripts Medicare®** (PDP) for KTRS is the Medicare Part D prescription drug coverage through the MEHP. **If you enroll in another Medicare Part D plan outside of KTRS or you are a high income person and don't pay the Part D premium owed to Social Security, your MEHP will be**

terminated immediately. Upon termination, you may not be eligible for future reenrollment. Just like Medicare Part B, Medicare Part D requires monthly income-adjusted premium payments to Social Security. See section on higher income persons and contact Social Security to determine your Part D income adjusted premium (if any).

HIGHER INCOME PERSONS: Medicare law requires higher income persons to pay higher premiums to Social Security for Medicare Part B and Medicare Part D. This generally affects individuals with incomes higher than \$85,000 and couples with incomes higher than \$170,000, based on tax return information the IRS gives Social Security.

The MEHP **medical** plan is a UnitedHealthcare (UHC) Medicare Advantage (MA) plan. This plan allows the same in- and out-of-network cost-share; therefore, you can see any licensed provider who accepts Medicare patients and Medicare assignment and agrees to bill UHC directly. Show providers your **new** UHC ID card and have them file claims directly with UHC instead of Medicare.

The MEHP **prescription drug** plan is an Express Scripts Medicare Part D prescription drug plan and consists of a retail drug program and a home delivery program. The retail drug program includes a \$150 annual deductible and is designed for initial and short-term prescriptions to be obtained at a retail network pharmacy. The home delivery program does not require a deductible, is for maintenance prescriptions and allows up to a 90-day supply of medication to be obtained through the Express Scripts home delivery pharmacy service. If you are ever denied coverage for your prescriptions, Express Scripts will explain the decision to you and you have the right to appeal and ask for a review of the denied claims. If you need specific information regarding a prescription cost and/or restrictions, you can call the Know Your Rx Coalition at 1-855-218-5979. To avoid a possible lapse in your medication, obtain a refill through your current plan on the last day of the month prior to the effective date of the MEHP.

Please note: If you enroll in another MA or Part D plan outside of KTRS, including Kentucky Retirement Systems (KRS), your UHC and Express Scripts coverage will be terminated immediately. If you are the spouse of a KTRS retiree, you will not be eligible for future reenrollment unless you experience a valid KTRS qualifying event.

BENEFIT BOOKLETS AND ID CARDS: After your coverage begins you will receive an Evidence of Coverage booklet from UHC and Express Scripts. If your MEHP application is submitted to KTRS in a timely manner and Medicare approves your enrollment, you should receive ID cards before your coverage is effective. On the effective date of coverage, if UHC and Express Scripts have processed your enrollment, you can access a letter of medical coverage or print a temporary ID card by registering at www.uhcretiree.com/ktrs and www.Express-Scripts.com.

Listed below is the monthly cost of the 2016 MEHP: You must also continue to pay your Medicare Part B premium and any additional Part B and D income adjusted premiums billed by Social Security. Reciprocity retirees with service in KTRS and KRS should contact KTRS to determine their rates.

Years of Service	KTRS Entry Date Before 07/01/02	KTRS Entry Date on or After 07/01/02	KTRS Entry Date on or After 07/01/08	Medicare Eligible Spouses/Children Pay Full Premium Monthly Rate of: \$260.00
5-9.99	\$195.00	\$234.00	Not Eligible	
10-14.99	\$130.00	\$195.00	Not Eligible	
15-19.99	\$65.00	\$143.00	\$143.00	
20-24.99	\$0.00	\$91.00	\$91.00	
25-25.99	\$0.00	\$26.00	\$26.00	
26-26.99	\$0.00	\$13.00	\$13.00	
27 or more	\$0.00	\$0.00	\$0.00	

You can obtain additional information about enrolling in Medicare by contacting Social Security at 1-800-772-1213, Medicare at 1-800-633-4227, or www.medicare.gov on the web. If you have any other questions, please contact KTRS at 1-800-618-1687. You may fax your completed paperwork to 502-573-0199.

If you are currently covered by a FAMILY, COUPLE, OR PARENT PLUS PLAN, you will have an additional letter in this packet to read and complete other forms if required.

Kentucky Teachers' Retirement System (KTRS)

RE: KTRS INSURANCE PARTICIPANTS - TURNING AGE 65 INFORMATION

Our records indicate that you are currently covered under a Family, Couple, or Parent Plus plan. Please review the different scenarios listed below to ensure that you have completed all the appropriate forms (if any). If you currently have a Parent Plus plan, see 1 below. If you currently have a Family or Couple plan, see 2a & 2b below. If you are currently cross-referenced, see 3 – 6 below.

1. If you are currently covering dependents under a **PARENT PLUS PLAN**, you will receive a separate COBRA packet for them from WageWorks a month before the termination date. If your child is disabled and has Medicare Parts A & B, you can enroll them in the KTRS MEHP by obtaining an enrollment form from KTRS and paying the monthly premium. **You may disregard the remaining information below because it does not pertain to your situation.**
2. If you are currently covered by a **FAMILY OR COUPLE** plan, please review the information below in 2a and 2b that pertains to your situation:
 - a. **If you are the KTRS retiree turning age 65**, your under age 65 spouse must complete and return the enclosed Kentucky Employees' Health Plan insurance application the month before you turn age 65 (2 months before if your birthday is on the first of the month). **NON-COMPLETION OF THIS APPLICATION WILL RESULT IN A LOSS OF COVERAGE.**

Because there is no spouse subsidy, the following (full) monthly premiums will apply to spouses:

SPOUSE RATES	SPOUSE SINGLE	SPOUSE PARENT PLUS
LivingWell CDHP	\$708.68	\$973.76
LivingWell PPO	\$727.72	\$1,029.62
Standard PPO	\$684.32	\$969.94
Standard CDHP	\$670.26	\$936.92

- b. **If you are the spouse turning age 65**, the retiree coverage will automatically be changed to a Single or Parent Plus plan and an application will not be necessary. Retirees should utilize the enclosed Calculation Chart to determine the monthly cost of Single or Parent Plus coverage.
3. If you are **CROSS-REFERENCED** with a KTRS retiree, your spouse's coverage will automatically be changed to Parent Plus and a KEHP application will not be necessary. If you wish to change to Single coverage, you must complete a Dependent Drop form found at www.ktrs.ky.gov. Retirees (under age 65) should utilize the enclosed Calculation Chart to determine the monthly Parent Plus cost. **You may disregard the remaining information below because it does not pertain to your situation.**
4. If you are **CROSS-REFERENCED** and your spouse is under age 65 and not a KTRS or Kentucky Retirement Systems (KRS) retiree, your spouse must contact his/her active insurance coordinator to complete a new application to enroll in a Parent Plus or Single plan. **You may disregard the remaining information below because it does not pertain to your situation.**
5. If you are **CROSS-REFERENCED** and your spouse is under age 65 and retired through KRS, your spouse must contact KRS to complete the appropriate application to enroll in a Parent Plus or Single plan. **You may disregard the remaining information below because it does not pertain to your situation.**
6. If you are **CROSS-REFERENCED** and you are retired from KRS and turning age 65, you will need to contact KRS at 1-800-928-4646 for the appropriate application to enroll in a Medicare plan through KRS. The KTRS retiree's coverage will automatically be changed to a Parent Plus plan and an application will not be necessary. If you wish to change to Single coverage, you must complete a Dependent Drop form found at www.ktrs.ky.gov. KTRS retirees (under age 65) should utilize the enclosed Calculation Chart to determine the monthly Parent Plus cost. **You may disregard the remaining information below because it does not pertain to your situation.**

KTRS will deduct insurance premiums from your monthly annuity unless the cost exceeds your annuity. In this case, KTRS will withhold your net annuity (if any) and bank draft the remaining balance owed from your bank account on file at KTRS.